

VZCZCXRO8839  
RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV  
DE RUEHDL #0485/01 2391322  
ZNR UUUUU ZZH  
R 261322Z AUG 08  
FM AMEMBASSY DUBLIN  
TO RUEHC/SECSTATE WASHDC 9410  
INFO RUCNMEM/EU MEMBER STATES  
RUEHBL/AMCONSUL BELFAST 0787  
RUEHRC/USDA FAS WASHDC 0704

UNCLAS SECTION 01 OF 02 DUBLIN 000485

SIPDIS

E.O. 12958: N/A  
TAGS: [EAGR](#) [PGOV](#) [PREL](#) [EU](#) [EI](#)  
SUBJECT: IRELAND, THE CAP, AND THE EU

DUBLIN 00000485 001.2 OF 002

-----  
SUMMARY  
-----

11. Since entering the European Union (EU) in 1973, Ireland has benefited greatly from the EU's Common Agricultural Policy (CAP). The importance of farming for Ireland, not only in economic but also in social and cultural terms, underscores the influence the farming community has in the country. EU programs, such as the CAP, have enabled Ireland to transform itself into a service-oriented, urban-centered economy with less emphasis on its connection to agriculture and the land. Despite this, recent events such as the referendum on the Lisbon Treaty -- which was defeated in part due to concerns that the Treaty might change the CAP -- have shown the strength of the farmers on Irish public opinion. Overcoming the farmers' fear of CAP reform, and mustering their active support for stronger relations with the EU, will go far in enabling the Irish Government to get Ireland's relations with the EU back on track. End Summary.

-----  
Irish Gains from the CAP  
-----

12. Ireland has experienced impressive economic gains from the CAP. Statistics show that 1.5 percent of Ireland's gross national income came from the CAP in 2004, and that the country routinely receives disproportionately more CAP assistance than its EU-counterparts. On July 28, 2008, James Kelly of the Irish farming and education body Agri-Aware, told POLOFF that Ireland has a "huge attachment" to the CAP, mainly because the nation's economy has traditionally been agriculturally based. Kelly commented that the Irish people have never strayed far from the land, which has resulted in a strong farm lobby whose influence can be seen at all levels throughout the nation. He noted that, as Ireland transformed itself from one of the poorest counties to one of the wealthiest in Europe -- in part because of the CAP -- the agricultural sector has become a prime example of the gains garnered from EU membership. Kelly pointed out that Irish producers have been able to benefit from higher prices on the EU market and from the subsidization of exports with the EU's export refunds system. He said that the shift in CAP policy towards "decoupling" and rural development aid, which helps accelerate farm modernization, has also been very beneficial to Ireland.

-----  
Social/Cultural Importance of Agriculture in Ireland  
-----

13. Kelly pointed out that the importance of agriculture in Ireland is generally greater than many other European nations. The strong influence of Irish farmers on public policy stems not only from the economic benefits realized

from farming, but also because many city dwellers have close family members actively involved in agriculture. Kelly noted, however, that a generation gap is developing in Ireland as these traditional, sentimental links diminish. He stated that Agri-Aware is the only farming organization in Europe that is independent from the main farming lobbies and governments, and whose function is to create an urban awareness of farming and its issues.

14. The power of the Irish Farmers Association (IFA) in governmental affairs in Ireland reflects agriculture's strong place in Irish society. According to Pat Smith, the IFA's Director of Organization, the IFA is the "most powerful" of the European farming groups; an opinion shared by many EU members. Smith noted that strong incessant IFA lobbying (founded in Irish public opinion) was instrumental in the EU's 2008 decision to limit imports of Brazilian beef.

15. Officials at Agri-Aware, the IFA, and the Young Farmers, Association (Macra na Feirme) have all told POLOFF they are convinced that the Irish government consistently under-estimates the power and influence of Irish farmers. They think that the May 2008 referendum on the EU Lisbon Treaty demonstrated how much farmers' opinions matter. With the Treaty referendum and the end-game of the WTO/Doha Round talks running concurrently, they pointed out that the IFA would not give its support to a "yes" vote for the Lisbon Treaty until it got assurances from the government that it would not "sell out" Irish farmers in the WTO process. Eventually the government capitulated to the demands of the IFA, but according to Smith and Kelly, the government's failure to give farmers assurances earlier caused a lot of confusion and contributed to the Treaty's defeat.

-----  
DUBLIN 00000485 002.2 OF 002

Comment: Irish Farmers Support the EU  
-----

16. There is still tremendous support for the EU among Irish farmers according to Kelly. While there was objection by Irish farmers to some of the negotiating positions taken by EU Trade Commissioner Mandelson at the WTO/Doha Round discussions, the main concern of Irish farmers is to see that the current CAP payment system is maintained. A common theme is evident throughout Ireland - the Irish do not want to see the agriculture sector suffer, not only for economic and social reasons, but also for traditional cultural reasons. Agriculture has always been the bedrock of Ireland's society and culture and the farmers hold great sway over Irish public opinion. Next year the CAP is up for interim review, which is giving Irish farmers the willies. They wonder if the Irish Government will stand strong with the French in maintaining the current lucrative system of farm payments or will shift to support the British view that the CAP must be reformed. Overcoming the farmers' fears of change in the CAP, and mustering their active support for stronger relations with the EU, will go far in enabling the Irish Government to get Ireland's relations with the EU back on track.  
FOLEY